PART IV

Section 1-C (I)

STATUTORY RULES AND NOTIFICATIONS ISSUED BY THE CENTRAL GOVERNMENT AND REPUBLISHED BY THIS GOVERNMENT

NOTIFICATION

No LAW 26 LCR 63, dated Bangalore, 29th January 1963

Ordered that the accompanying Notification No S O 3946, dated the 26th December 1962, of the Ministry of Finance (Department of Economic Affairs), issuing the Emergency Risks (Factories) Insurance, Scheme which has been published in the *Gazette of India*, Extraordinary, Part II, Section 3, sub-section (ii), dated the 28th December 1962, be republished in the *Mysore Gazette*, for general information

By Order and in the name of the Governor of Mysore,

T VENKATANARANAPPA,
Under Secy to Govt, I c, L D

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GOVERNMENT OF INDIA.

MINISTRY OF FINANCE

(Department of Economic Affairs)

New Delhi, the 26th December 1962

NOTIFICATION

EMERGENCY RISKS (FACTORIES) INSURANCE SCHEME

S O 3946 —In exercise of the powers conferred by sub-section (1) of section 3 of the Emergency Risks (Factories) Insurance Act, 1962 (63 of 1962), the Central Government hereby puts into operation the following scheme

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1 Short title, extent and commencement —(1) This scheme may be called the Emergency Risks (Factories) Insurance Scheme

(2) It extends to the whole of India

(3) It shall come into force on the first day of January 1963.

2. Definitions —In this scheme, unless the context otherwise requires —

(i) "the Act" means the Emergency Risks (Factories) Insurance Act, 1962 (63 of 1962),

(ii) "Government agent" means any person employed under section 4 to act as the agent of the Central Government for any of the purposes of the Act,

(iii) "paragraph" means a paragraph of this scheme,

(iv) "policy" means a policy of insurance issued under this scheme, and includes any supplementary policy,

(v) "section" means a section of the Act,

(vi) words and expressions not defined herein have the meanings assigned to them in the Act,

3. Scope and extent of the scheme — (1) The Central Government hereby undertakes in relation to factories the liability of insuring such factories against emergency risks to the extent provided by the Act.

(2) The Central Government also hereby undertakes in relation to any person in India the liability of insuring such person against emergency risks in respect of any property insurable under the Act which is not owned by him but in which he has an interest, up to the extent of such interest

4 Insurance of completed factories —(1) Every ow[illegible] of a factory in existence at the commencement of scheme shall, within the period specified in the notific[illegible]

made under sub-section (1) of section 5, take out a policy of insurance against emergency risks in accordance with this Scheme.

(2) Subject to the provisions of paragraph 5, every owner of premises becoming a factory or property becoming property insurable under the Act after the date specified in the notification referred to in sub-paragraph (1) shall, before the commencement of the quarter next following that in which the premises become a factory or the property becomes insurable under the Act, take out a policy of insurance against emergency risks in accordance with this scheme

(3) Every owner of a factory who is required by the Central Government to reconstruct the factory which has suffered damage shall, before the commencement of the quarter next following that in which the reconstruction of the factory is completed, take out a policy of insurance against emergency risks in accordance with this scheme

(4) Where the owner of the factory is not the occupier thereof, the occupier of the factory shall, unless the owner has already taken out a policy of insurance, himself take out the policy and when such a policy is taken out, the occupier shall be deemed to act as the agent of the owner and shall be entitled to receive from the owner all sums paid by him as premiums on the policy

5 Works in course of construction—(1) This scheme shall also extend to the undertaking by the Central Government in relation to works in the course of construction which, when completed, will become factories and in relation to plant and machinery appertaining to such works, the same liabilities as are undertaken by this scheme in relation to factories, to the extent such plant or machinery is not for the time being covered against emergency risks by any other policy of insurance and also to the extent such plant or machinery is not insurable for the time being under the Emergency Risks (Goods) Insurance Act, 1962 (62 of

(2) A policy may be taken out optionally at the the instance of the owner or the intending occupier in relation to the works and plant and machinery referred to in sub-paragraph (1). When any such option is exercised, an application for the policy shall be made within one month from the date of commencement of this scheme or one month from the commencement of the works, whichever is later An option once exercised shall be final, and where a policy of insurance has been taken out under this provision, it shall also be compulsory for the owner to take out policies of insurance in subsequent quarters until such time as the completed factory becomes compulsorily insurable under the provisions of paragraph 4

6 Method of application—(1) Every application for insurance under the scheme shall be in accordance with the form set out in Part A or Part B of the First schedule according as the application is for an original or a supplementary policy and shall be made to the Government agent or to such officer of the Government agent as may be authorised by that agent in this behalf

(2) Every such application shall be accompanied by a treasury chalan evidencing payment of the requisite premium into a Government treasury under the head LXIA Receipts connected with the National Emergency, 1962—Central —Insurance premiums under the Emergency Risks (Factories) Insurance Scheme

(3) If there is any change in the ownership or occupation of a factory during the currency of a policy of insurance notice thereof shall be given to the Government agent in the form set out in the Seventh Schedule

7. Mode of Valuation of insurable properties —For the purpose of insurance under the Act, the insurable value property shall be ascertained in accordance with the following principles —

(*a*) The insurable value shall be the actual value case of completed works, and the estimated value

works which are in the course of construction, or additions to property which are anticipated or expected to be completed in both cases at the prices prevailing on the relevant dates after making due allowance for any depreciation

(b) All plant and machinery which is part of the property to be insured under the scheme shall be valued as part of a going concern and not as scrap

(c) The relevant dates referred to in clause (a) shall be—

(i) in relation to completed works, the date from which the policy is to take effect, and

(ii) in relation to works which are in the course of construction or additions to property which are anticipated or expected to be made, the last day of the quarter in which the application for insurance is made

8. Rate of premium.—(1) The premium payable under any policy of insurance issued in respect of the quarter ending on the thirty-first March, 1963, shall be payable at the rate of twenty-five naye paise for every hundred rupees or any part thereof of the sum insured.

(2) The amount of the premium payable under sub-paragraph (1) shall be rounded off to the nearest rupee and shall be payable in one lump sum in respect of the entire quarter for which the policy is or is continued in force, provided that if any factory becomes insurable under the scheme after the commencement of a quarter, the amount of the premium shall be payable in one lump sum, which shall be equivalent to the amount payable in respect of factories insurable during that entire quarter reduced by an amount which bears to the first mentioned amount the same proportion which the number of completed months in that quarter before the factory becomes insurable bears to three, the actual amount due in accordance with this provision being rounded off to the nearest rupee

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9. Issue of policy and verification of previous policies — (1) If the application has been correctly made out in the prescribed form and is accompanied by a treasury chalan evidencing payment of the premium into a treasury under the head of account specified in sub-paragraph (2) of paragraph 6, the Government agent shall issue a policy of insurance as soon as possible after the receipt of the application

(2) If no chalan accompanies an application, or if the chalan is not in order the application shall be returned to the applicant for re-submission along with the required chalan

(3) If the chalan accompanying an application is in order but the application for insurance is not received in accordance with the form set out in the First Schedule, the chalan may be retained by the Government agent and the application returned to the applicant for re-submission after being correctly made out.

(4) If the chalan accompanying an application form is for an amount which falls short of the premium due on the insurable value of the property, a policy for such proportion of the insurable value as the amount paid under the chalan bears to the premium due shall be issued and the applicant shall be asked to make a further application in respect of the balance of the insurable value of property which may remain uncovered

(5) Notwithstanding anything contained in the provisions of the foregoing sub-paragraph, if an application shows that the applicant has taken out a policy of insurance in respect of the same property or any part thereof against fire, accident or marine risks, issued by any insurer, the Government agent may, in his discretion postpone the issue of a policy under this scheme until enquiries have been made from that insurer.

10 Form and duration of policy —Every policy of insurance issued under the scheme shall be in the form set

out in the Second Schedule, and shall be in respect of the period ending on the last day of the quarter for which the policy is issued

11 Each factory to be covered by one policy —(1) Every policy shall be in respect of property insurable under the Act appertaining to a single factory, provided however that when any plant, machinery or materials appertain to more factories than one, such plant, machinery or materials may be insured separately under a single policy issued in relation to the owner or occupier of any one of those factories

(2) If during the currency of a policy, any additions are made to the property insurable under the Act appertaining to the factory, a supplementary policy shall be taken out in respect of such additions

12. Date of effect of policies —(1) Where the policy of insurance is in respect of a completed or normally working factory, the owner or occupier of which is required to take out a policy of insurance in accordance with the provisions of paragraph 4, the policy shall be issued so as to take effect from the date on which he becomes so liable, if the premium is paid in advance or within seven days of the date on which he becomes so liable and from the date of payment of the premium if the premium is paid after the expiry of seven days from the date on which he becomes so liable.

Provided that in the case of the quarter ending on the 31st March, 1963, the Central Government may extend the period of seven days aforesaid to any period not exceeding thirty days

(2) Where the policy of insurance is in respect of works in the course of construction which, when completed, will become factories and plant and machinery appertaining to such works which are not compulsorily insurable but may at the option of the owner or intending occupier be insured under paragraph 5, the policy shall be issued so as to take effect from the date of commencement of the policy as stated in the application, if the premium is paid in advance or

within seven days of such commencement and from the date of payment of the premium if the premium is paid after the expiry of seven days from the date of such commencement

(3) For the purposes of sub-paragraph (1), the owner or occupier of a factory which is in existence at the date of commencement of this scheme shall be deemed to have become liable to take out a compulsory policy of insurance at the date of such commencement, and the owner or occupier of a factory which comes into existence after the date of such commencement shall be required to indicate in his application the date on which he becomes or has become so liable.

13 Failure to pay premium and evasion—(1) Where any person has failed to pay any premium due from him or to insure as, or to the full amount, required by the Act and has thereby evaded the payment by way of premium of any money which he would have had to pay but for such failure, the amount evaded shall be determined in accordance with the Third Schedule

(2) Every person against whom a determination has been made in pursuance of sub-paragraph (1) may, within the period laid down in the Third Schedule appeal to the Central Government whose decision shall be final.

(3) Where the amount determined under the provisions of sub-paragraph (1) or sub-paragraph (2) is fully recovered, the Government agent shall, as soon as possible after such recovery, send the requisite application forms to the defaulter for completion and return, and a policy or supplementary policy in respect of the property concerned according as the recovery is in respect of non-insurance or under-insurance shall be issued by the Government agent on receipt of the application correctly filled in the said policy being made out so as to take effect from the date the amount was fully recovered

14 Loss of policy—In the event of the loss of a po a duplicate policy shall not be issued, but if it is satisfac

proved that a policy has been issued, the absence of that policy shall not be a bar to any claim thereunder.

15 Overlapping policies, Cancellation and Refund — (1) where it is established to the satisfaction of the Central Government that insurance under the scheme has been taken out separately by the owner and the occupier of a factory in respect of the same property, the policy taken out by either of them may be cancelled on their joint application and a refund of premium allowed in accordance with such joint application

(2) Notwithstanding anything contained in this scheme, where a policy has been taken out in respect of any property insurable under the Act appertaining to a factory or other premises and that factory or premises is subsequently exempted under section 15 or is destroyed otherwise than by any action or measure comprised in the expression "emergency risks" the policy shall be cancelled with effect from the date on which the exemption takes effect or, as the case my be, the factory or premises are destroyed as aforesaid, and thereupon out of the amount of the premium collected immediately before the cancellation of the policy, in respect of the quarter in which the policy is cancelled a refund shall be made in the proportion which the number of complete months for which the policy is cancelled bears to three.

16 Share of risk to be borne by the insured person — (1) The insured person shall bear in respect of each claim twenty per cent of the loss or damage,

(2) If the total value of the property insured shall exceed the sum insured under the policy, the insured person shall be considered as being his own insurer for the excess as well as for twenty per cent of the sum insured, for the rpose of his bearing a rateable proportion of the loss.

17 Mode of settlement of claims.—(1) Payment of sation under the scheme shall be made, at the option

of the Central Government, within the limits of the liability assumed by it, in any of the following forms, namely—

(*a*) in a case where the Government exercises the option to pay the cost of restoring the property lost or damaged as far as practicable to the condition in which it existed before the occurrence of such loss or damage, on such restoration, in such manner and by such instalments as the Central Government may think fit, or

(*b*) in a case where the Central Government decides to make the payment in instalments during the progress of the works relating to the restoration of the property lost or damaged, in instalments as determined by that Government and at the expiration, in the case of each instalment, of such period, after the restoration of the relevant parts, as may be required to ascertain the fact of restoration and the proper cost thereof, or

(*c*) compensation for the loss in value, ascertained on the values and prices prevailing at the time at which the policy of insurance took effect, or at which the loss occurred, whichever is less, suffered by the property as a result of the damage, after making due allowance for depreciation upto the time of the occurrence of the loss or damage, in such instalments, if any, as the Central Government may think fit.

(2) Any payment under sub-paragraph (1) may be postponed to a date later than one year from the date on which the Act ceases to be in force but in the event of any such postponement, simple interest at the rate of two per cent per annum from the expiry of the said one year shall be paid on the portion of claim admitted by the Central Government and remaining, unpaid until such time as claim is discharged in full

18. Statement of Claims, verification and payment.— (1) All claims shall be submitted in writing in the form given in the Fourth Schedule to the Government agent within the time specified in condition 7 of the conditions set forth in the Second Schedule

(2) On receipt of a claim, the Government agent shall have the claim verified, and the loss or damage, if any, assessed by a person who is for the time being a loss assessor recognised by the Central Government in this behalf, or if the Central Government so directs, by such person or persons as may be specially deputed by it for this purpose.

(3) As soon as the loss assessor has verified the claim and assessed the loss or damage, if any, he shall make a report thereon to the Government agent, who shall after such further verification as he thinks fit to make, forward the report, with his remarks and recommendation to the Government of India in the Ministry of Finance (Department of Economic Affairs).

(4) On receipt of any payment under this scheme, the claimant shall give a receipt in the form set out in the Fifth Schedule.

19 Provisions for safeguarding of property insurable under the scheme.—The Central Government may make regulations for safeguarding any property insurable under this scheme against loss or damage as a result of emergency risks or for minimising any such loss or damage and may without prejudice to the said regulations issue any general or special order, to all factories generally or to any particular factory as it may think fit for the purposes aforesaid.

(2) Any order issued under sub-paragraph (1) may require the owner or occupier of a factory in respect of which any payment towards the restoration of property has been made under this scheme to reconstruct the factory or to alter the premises thereof in such manner as to avoid or minimise the consequences of any future emergency risks or to provide such safety or precautionary measures as may reasonably be necessary, or if it is considered expedient or necessary

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so to do, to remove the factory or the premises, as the case may be, to any other site.

(3) Every owner or occupier shall comply with the requirements of any regulations or orders made in this behalf

(4) Where the Central Government requires the owner or occupier of the factory to remove the factory or the premises to any other site as provided for in sub-paragraph (2), the Central Government shall pay to such owner or occupier the cost of removal of the factory or the premises and the cost of replacement of any property for which compensation may not be otherwise payable but which may be lost or damaged as a result of such removal, on the receipt of a claim from the owner or occupier, and the procedure prescribed in paragraph 18 shall be followed, as far as practicable in relation to the verification and payment of any such claim

20. Persons authorised for certain purposes of the Act — The Central Government may authorise any person under section 8 of the Act to obtain any information and to do any other thing as provided for in the said section, and every person who is liable to take out, or who has taken out, a policy of insurance under this scheme shall at all times provide and cause to be provided all reasonable facilities to the person so authorised, for enabling him to discharge his duties in pursuance of or in relation to this scheme.

21. Publication of accounts —An account of all sums received into and paid out of the Emergency Risks (Factories) Insurance Fund shall be prepared in the form set forth in the Sixth Schedule and shall be published annually

22 Interpretation.—If any doubt arises in regard to interpretation of any provisions of this scheme, the m shall be referred to the Central Government whose de thereon shall be final.

THE FIRST SCHEDULE

(*See* Paragraph 6)

PART A

FORM OF APPLICATION

GOVERNMENT OF INDIA

EMERGENCY RISKS (FACTORIES) INSURANCE ACT, 1962
(63 of 1962)

Application for insurance of property insurable under the Act

No ....

1 Applicant's Name

2. Address

3 Business

4 Description and Situation of the premises

5 Are the premises a factory as defined in Section 2(m) of the Factories Act, 1948 ?

6. If not, and if they are in course of construction, will they be so when completed ?

7 Date on which property to be insured became insurable

8. What is the nature of your interest in the property to be insured ?

9 If you are the occupier of the factory within the meaning of section 2(n) of the Factories Act 1948 but do not own the property, the following should be answered —

(i) Name and address of owner

(ii) Have you been requested by the owner to effect this insurance on his behalf ?

(iii) If not, are you aware whether the owner is also applying for insurance ?

10 Description of property to be insured:

11 Are the Buildings, Plant, Machinery and Materials of the property to be insured, insured against Fire, Accident or Marine Risks ?

12 If so, state (a) Name of insurer

(b) Total sum insured on

(i) the Buildings Rs

(ii) the Plant, Machinery & Materials Rs

Total Rs

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13 Insurable value, that is to say, the value after making allowance for depreciation on the date of this application, of —

(a) the Buildings Rs

(b) the Plant, Machinery & Materials Rs

Total Rs

14 In the case of works in course of construction what is the estimated value on the last day of the Quarter in which the insurance is effected, of —

(a) the Buildings Rs

(b) the Plant, Machinery & Materials Rs

Total Rs.

NOTE —Separate amounts must be declared as between (a) and (b) in answer to questions 13 and 14 but separate amounts need not be declared against each block In the event of a claim, however, the claimant may be called upon to show in detail how the valuation has been made up

15 (i) Has any other person any insurable interest in the property to be insured?

(ii) If so, give particulars

16 Date from which insurance is to commence

I/We warrant that the above statement and particulars are true and I/we request you to effect Emergency Risks (Factories) Insurance on my/our behalf with the Government of India in terms of the standard policy which I/we agree to accept

I/We further agree that this application shall be the basis of the contract between the President and myself/ ourselves.

I/We enclose chalan dated . . ..for Rs . paid into

*The Treasury
*Reserve Bank of India
*State Bank of India

at ... .

Signature of applicant

Date ... .

(*Strike out whichever is inapplicable)

ACKNOWLEDGEMENT

EMERGENCY RISKS (FACTORIES) INSURANCE

ACT, 1962 (63 OF 1962)

Received from application number dated
along with chalan dated for Rs paid into
*The Treasury
*Reserve Bank of India
*State Bank of India
at .../ ...
Date

Signature of authorised representative of Government
Agent

(*Strike out whichever is inapplicable)

PART B

FORM OF APPLICATION FOR A SUPPLEMENTRY POLICY

GOVERNMENT OF INDIA

EMERGENCY RISKS (FACTORIES) INSURANCE

ACT, 1962 (63 OF 1962)

Application for supplementary insurance

NO ...

1. Applicant's Name
2. Address
3. Business
4. Description and Situation of the premises
5. Numbers of the previous policies (original and supplementary) under the Emergency Risks (Factories) Insurance Act, 1962 (63 of 1962)
6. Amounts insured by the previous policies on
   (*a*) the Buildings Rs
   (*b*) the Plant, Machinery and Materials Rs

Total Rs

7 Description of the property to be insured .

8 Additional amounts for which insurance is now to be effected on

(*a*) the Buildings Rs

(*b*) the Plant, Machinery and Materials Rs

Total Rs

9 Reasons for making this application

10 (*i*) Has any other person any insurable interest in the property to be insured?

(*ii*) If so, give particulars

11 Date from which insurance is to commence

I/We warrant that the above statement and particulars are true and I/we request you to effect Emergency Risks (Factories) Insurance on my/our behalf with the Government of India in terms of the standard policy which I/we agree to accept

I/We further agree that this application shall be the basis of the contract between the President and myself/ourselves

I/We enclose chalan dated for Rs paid into

*State Bank of India
The Treasury
*Reserve Bank of India

at . . .

Date

Signature of applicant

(Strike out whichever is inapplicable)

ACKNOWLEDGEMENT

EMERGENCY RISKS (FACTORIES) INSURANCE ACT, 1962 (63 OF 1962)

Received from . application number dated along with chalan dated . for Rs. paid into

*The Treasury
*Reserve Bank of India
*State Bank of India

at .

Date

Signature of authorised representative of Government Agent.

(*Strike out whichever is inapplicable)

SECOND SCHEDULE

(*See* Paragraph 13)

GOVERNMENT OF INDIA

EMERGENCY RISKS (FACTORIES) INSURANCE ACT, 1962 (63 OF 1962)

Policy No _____.

Suplimentary to

Policy No

Policy of Insurance in respect of properties insurable under the Act

This Policy and the Specification hereto (which forms an integral part of this Policy) shall be read together as one contract, and the words and expressions to which specific meanings have been attached in the Specification shall bear those meanings wherever they may appear.

THE SPECIFICATION

The President — The President of India.

The Government Agent . . . .

The Insured . . ..

Address.. ... ...

The Insured's business .. ..

The Property insured . .....

Description and Situation of Property insured... . . .. . .

....

Sum for which insured

(a) Buildings Rs.

(b) Plant, Machinery & Materials. Rs . ...

Total Rs . ...

Period of Insurance

From the . . .day of . . ..19 .

To the .. ..day of . .. .. .19 .

Premium Rs ... .

the Treasury

Paid into Reserve Bank of India on the day of ....19 at ...

State Bank of India

Whereas the Insured has made and forwarded to the Government a signed application for insurance, which application he has

agreed shall be the basis of this Policy, and as paid the amount of premium named above.

Now this Policy witnesseth that in consideration of the Insured paying to the President the said premium, the President agrees (subject to the conditions contained herein, which conditions shall, so far as the nature of them respectively will permit, be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if during the period of insurance stated above the property, insured or any part of such property shall suffer any loss or damage, being loss or damage, caused by any act comprised in the expression "Emergency Risks" as defined for the time being in the Emergency Risks (Factories) Insurance Act, 1962 (63 of 1962) hereinafter referred to as "the Act" the President will indemnify the Insured against diminution in value caused by that loss or damage to the extent provided by or under the Act.

In witness whereof, I, being duly authorised in that behalf have hereto set my hand for and on behalf of the President.

Signed for and on behalf of the President———————————
this————————day of————————19 .

CONDITIONS

1. The President shall be under no liability under any policy of insurance to which these conditions apply (hereinafter referred to as "the policy") if and in so far as the Insured is not entitled to be insured for the sum thereby insured in respect of the property insurd under the Act

2. The liability of the President under the policy shall not exceed in the aggregate eighty per cent, of the sum thereby insured, and after the happening of any loss or damage the sum insured by the policy shall be deemed to be reduced by the amount of that loss or damage, and thereupon the liability of the President shall be limited to eighty per cent, of the reduced sum.

3. The Insured shall bear, in respect of each claim, twenty per cent. of the loss or damage.

4 If at the time of the happening of any loss damage the sum insured by this policy shall be less tha the total value of the property at the time of the damage or (b) the total value of the property on the commencement of insurance whichever is less the

shall be considered as being his own insurer for the excess as well as for twenty per cent. of the sum insured for the purpose of his bearing a rateable proportion of the loss.

5. If at the time of the happening of any loss or damage there be any other insurance effected by or on behalf of the Insured covering any of the property suffering that loss or damage against emergency risks, the liability of the President under the policy shall be limited to eighty per cent of its rateable proportion of such loss or damage.

6. The Insured shall at the request and expense of the President do and concur in doing and permit to be done all such acts and things as may be reasonably required by the President for the purpose of enforcing any rights and remedies to which the President is or would become entitled or subrogated upon paying for or making good any damage, whether such acts and things shall be required before or after that indemnification by the President

7 On the happening of any loss or damage the Insured shall forthwith give notice thereof in writing to the government agent, and shall within fifteen days after such loss or damage, or such further time as the Government agent may in writing allow, at his own expense deliver to the Government agent a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property suffering that loss or damage and of the amount of such loss or damage having regard to their value on the basis of the values and prices prevailing on the date of commencement of the insurance or on the date on which the damage or loss occurred whichever is less together with details of the interest of any person other than the Insured in the property insured and details of any other insurances on the property insured. The Insured shall also give to the overnment agent all such proofs and information with ect to the claim as may reasonably be required, together (if demanded) a declaration verified by an affidavit, of uth of the claim and of any matters connected th. No claim under the policy shall be payable,

unless the terms of this condition have been complied with.

8 If the claim be in any respect fraudulent, or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this policy, or if any loss or damage be occasioned by the wilful act or with the connivance of the Insured, all benefits under the policy shall be forfeited

Provided that the benefits under the policy shall not be forfeited even though the loss or damage is occasioned by the wilful act and with the connivance of the Insured, when the wilful act is done under orders of proper authority, or where the Insured permits certain measures to be taken under orders of proper authority, and if any question arises as to whether any act of the kind mentioned above has been taken under proper authority, the Central Government shall decide the matter and such decision shall be final and fully binding on the Insured.

9 On the happening of any loss or damage, in respect of which a claim is or may be made under the policy, the Government agent and every person authorised by the Government agent may, without thereby incurring any liability, and without diminishing the right of the President to rely upon any conditions of the policy enter, take or keep possession of the building or premises where the loss or damage has happened, and may take possession of or require to be delivered to them any of the property insured, and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner This condition shall be evidence of the leave and licence of the Insured to the President so to do If the Insured or any one acting on his behalf shall not comply with the requirements of the President, or shall hinder or obstruct the President or any person acting on his behalf in doing a of the above mentioned acts, then all benefits under policy shall be forfeited. The Insured shall not in any be entitled to abandon any property to the President w taken possession of by the President or not

10. No refund of premium shall be allowed in respect of the policy except as provided by or under the Emergency Risks (Factories) Insurance Act, 1962 (63 of 1962).

11. In the event of a transfer of interest, this policy may be assigned but such assignment shall not take effect until notice of assignment has been given to the President.

12 The Insured shall at all times take due precautions for the safety of the property insured having regard to the nature thereof, and in particular, if at any time any property insured sustains damage due to emergency risks the Insured shall take all reasonble steps to preserve the property insured from damage or further damage, as the case may be.

13 If in his application for the insurance effected dy the policy, the Insured shall have intentionally made a material mis-statement as to the value of the property insured all benefits under the policy shall be forfeited

14 If the Insured shall fail to comply with any regulations or instructions made or issued under the authority of the Central Government for safeguarding the property against loss or damage from emergency risks, all benefits under the policy shall be forfeited.

15 The amount which the Insured may provide for depreciation and which may be entered in the annual accounts of the Insured shall not be taken as final and conclusive as against either the President or Insured in settling any loss or damage which may occur.

16 If the President elects to pay eighty per cent of the cost of restoring any property insured, the Insured shall at his own expense produce and give to the President all such plans, documents, books and information as the President may reasonably require. The President shall not be bound to pay the cost of exact or complete restoration but only of such restoration as circumstances permit and as is reasonably sufficient and shall not in any case be bound to expend in respect of the property insured more than eighty per cent. of the sum insured thereon.

17 If the President elects to pay eighty per cent of cost of restoring the property insured, the Insured shall,

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if so required by the President reconstruct the factory or remove the factory to and reconstruct it in such other locality as may be specified by the President, in which case the Insured shall be compensated for the cost of removing and if necessary replacing such part of the property not affected by the loss or damage.

18 The following condition may be included in the policy at the request of the Insured —

"It is hereby agreed and declared that..... .. .. shall, to the extent of their interest in the property insured, be entitled jointly with the Insured to the rights hereby granted to the Insured, but not so as to grant to them any further or greater rights than those of the Insured under this Policy"

THIRD SCHEDULE

(*See* Paragraph 18)

Where any Officer authorised in this behalf by the Central Government, has reason to believe that the owner or occupier of any property insurable under the Act situated within the area over which he is authorised to act, has failed to insure as, or to the full amount, required by the Act or the scheme, or having applied for a policy of insurance under the Act or the scheme has failed to pay any premium payable under the Act within seven days of the date of commencement of the policy as stated in the application, and has thereby evaded the payment by way of premium of any money which he would have had to pay but for such failure, the Officer may serve on such owner or occupier a notice requiring him (i) to show cause on a date and at the time and place specified in this behalf why he failed to insure the property as, or to the full amount, required by the Act, and further (ii) to produce before the Officer on such date any document or other evidence in support of his case

2 Upon cause being shown and after giving the faulter an opportunity of being heard in support of

cause, the Officer shall assess the insurable value of the property and shall determine on the basis of such assessment the amount of premium, if any, payment of which has been evaded by the defaulter. In doing so, the Officer shall take into consideration such information as he may have received in accordance with section 8 after giving the defaulter an opportunity to explain the same

3. If an owner or occupier fails to show cause against a notice issued under paragraph 1 of this Schedule the Officer shall assess the insurable value of the property on the strength of such materials as may be available to him and shall determine on the basis of such assessment the amount of premium payment of which has been evaded by the defaulter.

4. When any sum has been determined in accordance with paragraph 2 or paragraph 3 of this Schedule the Officer shall send to the defaulter a copy of his recorded assessment and determination, duly certified by him, and serve on him a notice of demand specifying (i) the amount payable by him, (ii) the date within which it shall be paid and (iii) the treasury into which it shall be paid.

5 Any person against whom an assessment and a determination have been made in accordance with paragraph 2 or paragraph 3 of this Schedule may appeal to the Government of India Ministry of Finance, Department of Economic Affairs within thirty days of the date of receipt of the notice of demand.

6. Where an assessment and determination is made against more persons than one in respect of the same property, every person preferring an appeal shall do so separately and in his own name

7. An appeal under paragraphs 5 or 6 above shall contain all material statements and arguments relied on by the appellant, shall be accompanied by a copy of the notice of demand served upon the appellant, and shall be preferred through the authority against whose order the appeal is referred

8. The appellate authority shall consider,

(a) whether the facts on which the notice of demand was based have been established, and

(b) whether the sum determined as payable is excessive, adequate or inadequate,

and after such consideration shall pass such order as it thinks proper. But no order enhancing the amount determined as payable by the appellant shall be passed without first communicating to him the grounds on which such order is proposed to be passed and giving him an opportunity to show cause against the same.

9. The appellant shall have no right to appear in person or to be represented before the appellate authority.

FOURTH SCHEDULE

(*See* Paragraph 18)

GOVERNMENT OF INDIA

EMERGENCY RISKS (FACTORIES) INSURANCE ACT, 1962

(63 OF 1962)

Statement of Claims under the Act

Through ... . Government Agent.

at ... ...

I/We . of (address) . .
do hereby solemnly declare that on or about . . .
O'clock A M /P M Indian Standard Time on the .
day of. . 19 , property which was insured under the policy or policies detailed in Schedule A annexed hereto, was destroyed or damaged by an act comprised in the expression "Emergency Risks" as defined by the Emergency Risks (Factories) Insurance Act, 1962 (63 of 1962) The actual details of the act (manner in which the damage occurred) are given below —

. ...

I/We further solemnly declare that at the time of the said loss or damage the actual value of the property as described in the said policy or policies amounted to Rs . . . as more particularly set forth in the annexed Schedule B, and that apart from myself/ourselves no person other than ... has any interest in the said property

I/We therefore claim from the Government of India the sum of Rupees as detailed in Schedale C annexed hereto and I/We solemnly declare that this Statement of Claims is a true and accurate statement of the loss sustained by me/us without inclusion of profit of any kind.

Declared before me

this.. . .. day of ... .. . 19 Signed ... .

and identified by

who is personally known to me. ... .

COURT SEAL . .

MAGISTRATE

SCHEDULE A

Statement of Policies in force on the date of loss or damage.

(1) Policy No.	(2) Date of Issue	(3) Sum Insured	(4) The property insured as described in policy

SCHEDULE B

Statement of property insured under the Act

(1) Description of Property	(2) Sound value of Property	(3) Location of Property

SCHEDULE C

Statement of loss or damage

(1) Description of property damaged or destroyed.	(2) Sound Value	(3) Value of Salvage	(4) Actual loss	(5) Amount paid by the Central Government

ASSESSOR'S CERTIFICATE

I/We . .. . being Assessor/s duly appointed under paragraph 18(2) of the Emergency Risks (Factories) Insurance Scheme certify that from a careful examination carried out by me/us of the scene of the loss or damage and from the production of books documents, invoices and other evidence have satisfied myself/ourselves that the property was fully insured at the time of the loss or damage, and that the statement of claims as detailed herein (*and in our report attached) is a true and proper statement of the actual loss as the direct result of Emergency Risks only

Time taken on assessment . ...

Fee Rs ... .

Signature of Loss Assessor .

Address .

Date ....

RECOMMENDATION OF GOVERNMENT AGENT

We certify that the claim detailed in this Statement of Claims was received by us in accordance with Condition 7 of the Insurance Policy, that the Statement of insurances in force contained in Schedule A is a correct statement, that we have investigated the claimants' title, and we recommend that (i) (*except as stated in the attached report) the sum of Rupees .. be paid in full and final settlement of the loss (ii) . . and (iii) that the sum of Rupees ... . be paid to the Assessor in respect of his fee and expenses.

Signature of Government Agent ....

Date. .... ..

GOVERNMENT ORDERS FOR DISPOSAL

*Delete and initial deletion if no separate report.

FIFTH SCHEDULE

(*See* Paragraph 18)

GOVERNMENT OF INDIA

EMERGENCY RISKS (FACTORIES) INSURANCE ACT, 1962

(63 OF 1962)

Receipt of Claims

Loss No .

Received this. . day of... . . ..19 from the Government of India the sum of Rupees . . in full discharge of all claims as the . instalment of the claim upon them under the Policy/ Policies No /Nos . . issued under the Emergency Risks (Factories) Insurance Act, 1962 (63 of 1962), for loss or damage, arising from Emergency Risks as defined in the said Act, which occurred on the day of . 19... in consequence of which the amount insured by this Policy is reduced to the extent of Rs

Signature of Claimant.

Stamp

SIXTH SCHEDULE

(*See* Paragraph 21)

Account of sums received into and paid out of the "Emergency Risks (Factories) Insurance Fund during the year ending 19.

RECEIPTS			EXPENDITURE		
	Amount	Progress of receipts up to the end of		Amount	Progress of expenditure up to the end of
	Rs. nP	Rs nP		Rs nP.	Rs. nP.
1 Insurance Premiums			1 Remuneration and expenses of Government Agent and cost of forms		
2 Advances from Consolidated Fund of India under Section 7(3)			2 Payments of liabilities under the Emergency Risks (Factories) Insurance Scheme and remunerations and expenses of Loss Assessors appointed under the Scheme		
3 Miscellaneous receipt			3 Payment under Section 10 where a factory is required to be removed to and reconstructed in another locality		
			4 Refund of premium under Section 16 or under paragraph 15 of the Scheme		
			5 Repayment of advances made under Section 7 (3)		
			6 Miscellaneous expenditure (showing details if necessary)		
			7 Sums disposed of in accordance with Section 7 (4)		
TOTAL					

SEVENTH SCHEDULE

(*See* Paragraph 6)

FORM 1

Transfer of Policy from owner to owner

EMERGENCY RISKS (FACTORIES) INSURANCE ACT, 1962

(63 OF 1962)

Notice of assignment to be completed in triplicate and sent for registration to the Government Agent.

Policy No . . ..

Buldings Rs. .. ..

Machinery/

Plant/Material Rs.. .. .

Total Rs. . .. .

Description and situation of Propeity

I/We do heieby assign all my/our rights, title and interest in the abovementioned Policy and all benefits theieunder to

Dated this day of 19

Witness to Signature (Signature of Assignor)

I/We Assignee

Assignees

in

accepting the above assignment agree that the application form referred to in the Policy as forming the basis thereof shall continue to form the basis of the policy.

Witness to Signature (Signature of assignee)

Registered in the Office books of the Goveinment Agent at this day of

(Signature of Government Agent)

NOTE —In registering the assignment the Piesident is not to be understood to express any opinion as to the validity or otherwise of the Deed or Deeds of which he receives notice

The original of this form is to be returned to the Assignee.

The duplicate of this form is to be sent to the Accounts Officer ncerned.

The triplicate of this form is to be retained by Government Agent.

FORM 2

CHANGE OF OCCUPIER

EMERGENCY RISKS (FACTORIES) INSURANCE ACT, 1962

(63 of 1962)

Notice of change of Occupier to be completed in triplicate and sent for registration to the Government Agent

Policy No.... . . . .

Buildings Rs ... ...

Machinery/Plant/Materials Rs .. . .

Total Rs . . . .

Description and Situation of Property.

Name and address of Owner

I/We do hereby assign all our right to act as Agent of the Owner inr the matter of maintaining the above policy in force, to the Occupie namely . .....

Dated this day of 19 .

Witness to signature

(Signature of Occupier)

I/We being the new Occupier/Occupiers in accepting the above assignment agree that the application form referred to in the Policy as forming the basis thereof shall continue to form the basis of the Policy

(Signature of new Occupier)

Witness to signature.

Registered in the office books of the Government Agent at ..... . this day of 19 .

(Signature of Government Agent)

Note.—In registering the assignment the President is not to be understood to express any opinion as to the validity or otherwise of the Deed or Deeds of which he receives notice After registration the original of this form must be sent to the new Occupiers, the duplicate to the Accounts Officer concerned and the triplicate retained by the Government Agent

[No F 112(9)-INS/I/

A. BAKSHI,

Jt Sec